

From: Don Shrader [dshrader@woh.rr.com]
Sent: Monday, February 07, 2005 12:04 AM
To: SIZESTANDARDS
Subject: Small Business Size Stds & VCC's
Dear sirs:

Regarding the proposal to "provide an exclusion from affiliation for venture capital companies (VCC) in size determinations for eligibility for the SBIR Program." If this provision passes, it is my opinion that it will severely change the entire character of the SBIR program in a negative manner. A recent audit indicated that last year over \$2 billion of federal contracts/funds designated for small business was awarded to large business concerns. How much broader will the abuse be if the proposed legislation becomes law? Not only will big businesses disguised as VCC's indirectly receive contract awards set aside for small businesses but such a provision will make it extremely difficult, if not impossible, for small businesses to compete for SBIR awards in the future unless they are tied directly, and tightly, to a VCC/large business. I do not wish to be overly melodramatic but I see such legislation as a nail in the coffin towards ending legitimate small business competition for SBIR awards.

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